

**KENTUCKY LOTTERY CORPORATION
(Amendment)**

202 KAR 3:020. Procurement procedures.

RELATES TO: KRS 154A.060(2)(a), 154A.120

STATUTORY AUTHORITY: KRS 154A.050(1)(d)9, 154A.120(1)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 154A.120(1) authorizes the Kentucky Lottery Corporation to promulgate an administrative regulation~~[regulations]~~ establishing its procurement procedures. This administrative regulation establishes the procurement procedures of the Kentucky Lottery Corporation ~~[in a manner consistent with KRS Chapter 154A and will apply in lieu of the Kentucky Model Procurement Code, unless otherwise specifically indicated].~~

Section 1. Procurement Procedures. The procurement procedures of the Kentucky Lottery Corporation are established in the ["Kentucky Lottery Corporation Procurement Procedures"]. These procedures shall apply in lieu of the Kentucky Model Procurement Code, unless otherwise specifically indicated.

Section 2. Incorporation by Reference.

(1) "Kentucky Lottery Corporation Procurement Procedures", May 14, 2021,~~[4/23/99]~~ is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to a applicable copyright law,~~[from the General Counsel]~~ at the~~[Offices of the]~~ Kentucky Lottery Corporation, 1011 West Main Street, Louisville, Kentucky 40202-2623, Monday through Friday, 8 a.m. to 5 p.m. This material may also be viewed on the Kentucky Lottery Corporation's Web site at www.kylottery.com.

This is to certify that the chief executive officer has reviewed and recommended this administrative regulation which was adopted by the Kentucky Lottery Corporation Board of Directors on May 14, 2021, as required by KRS Chapter 154A.050(d).

MARY R. HARVILLE, President & CEO

JENNIFER K. LUHRS, General Counsel & Corporate Secretary

APPROVED BY AGENCY: July 13, 2021

FILED WITH LRC: July 14, 2021 at 10:30 a.m.

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on September 22, 2021, at 10:00 a.m., at the Kentucky Lottery Corporation, 1011 West Main Street, Louisville, Kentucky 40202-2623. Individuals interested in being heard at this hearing shall notify this agency in writing by 5 workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through September 30, 2021. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Jennifer Luhrs, Vice President, General Counsel & Corporate Secre-

tary, Kentucky Lottery Corporation, 1011 West Main Street, Louisville, Kentucky 40202-2623, phone (502) 560-1579; fax (502) 560-1532, email jennifer.luhrs@kylottery.com.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Jennifer Luhrs

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation, through the Materials Incorporated by Reference, establishes the Kentucky Lottery Corporation Procurement Procedures.

(b) The necessity of this administrative regulation: KRS 154A.120(1) authorizes the Kentucky Lottery Corporation to promulgate administrative regulations establishing its procurement procedures.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 154A.120(1) further provides that the administrative regulations shall be designed to provide for the purchase of supplies, equipment, services, and construction items in such a manner as to provide the greatest long-term benefit to the Commonwealth, the greatest integrity for the corporation, and the best products and services for the public.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation establishes the Kentucky Lottery Corporation Procurement Procedures in a manner consistent with KRS 154A.120(1) and will apply in lieu of the Kentucky Model Procurement Code, unless otherwise specifically indicated.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: See Summary of Changes to the Materials Incorporated by Reference.

(b) The necessity of the amendment to this administrative regulation: The changes are necessary to update the procurement procedures and to comply with the Commonwealth's Red Tape Reduction Initiative.

(c) How the amendment conforms to the content of the authorizing statutes: The amended administrative regulation establishes the Kentucky Lottery Corporation Procurement procedures in a manner consistent with KRS 154A.120(1) and will apply in lieu of the Kentucky Model Procurement Code, unless otherwise specifically indicated.

(d) How the amendment will assist in the effective administration of the statutes: The amended regulation continues to be designed to provide for the purchase of supplies, equipment, services, and construction items in such a manner as to provide the greatest long-term benefit to the Commonwealth, the greatest integrity for the corporation, and the best products and services to the public as required by KRS 154A.120(1).

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This amended regulation will affect the Kentucky Lottery Corporation and the vendors doing business and seeking to do business with the Corporation.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: No additional action will be required by the vendors doing business or seeking to do business with the Corporation.

(b) In complying with this administrative regulation or amendment, how much will it cost

each of the entities identified in question (3): No additional cost will be incurred by the Corporation or by the vendors doing business or seeking to do business with the Corporation.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The increase in the Corporation's small purchase limit will make it easier for vendors seeking to do business with the Corporation.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: There will be no initial cost to implement the amended administrative regulation by the Corporation or its vendors.

(b) On a continuing basis: There will be no ongoing costs to implement the amended administrative regulation by the Corporation or its vendors on a continuing basis.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Not applicable.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change, if it is an amendment: Not applicable.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: No fees were established.

(9) TIERING: Is tiering applied? Tiering was not applied. The amended administrative regulation only applies to the Corporation and vendors doing business or seeking to do business with the Corporation.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? This amended regulation will only affect the Kentucky Lottery Corporation and the vendors doing business and seeking to do business with the Corporation.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 154A.120(1) authorizes the Kentucky Lottery Corporation to promulgate administrative regulations establishing its procurement procedures.

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? The amended administrative regulation will not directly generate any additional revenue for the state or local governments during the first year.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? The amended administrative regulation will not directly generate any additional revenue for the state or local governments for subsequent years.

(c) How much will it cost to administer this program for the first year? There will be no initial cost to administer the amended administrative regulation by the Corporation or its vendors for the first year.

(d) How much will it cost to administer this program for subsequent years? There will be no initial cost to administer the amended administrative regulation by the Corporation or its vendors for subsequent years.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain

the fiscal impact of the administrative regulation. Not Applicable.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: